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NEWS RELEASE

FAILURE TO DISCLOSE MEDICAL INFORMATION IS FRAUD

Bowling Green man faces felony charge after allegedly lying about his health

FRANKFORT, Ky. (May 5, 2008) – You are filling out an application for health insurance. Is it okay to shave a few pounds off your weight? To not mention those chest pains and the accompanying trip to the emergency room? What about your history of asthma?

“Lying or leaving out relevant information on an insurance application is fraud,” said John Burkholder, acting executive director of the Kentucky Office of Insurance (KOI). “Often, consumers think those things are minor and don’t matter. That thinking is very wrong.”

The KOI Fraud Investigation Division receives many referrals regarding instances where a consumer has supplied false, misleading or incomplete information on a health insurance application.

Tracy Cardwell, 40, of Bowling Green, recently was indicted on a felony count of insurance fraud after he allegedly completed an Anthem Blue Cross Blue Shield application for individual health insurance, indicating he had no significant health problems. After Anthem accepted Cardwell in the plan, medical records showed he had health conditions that were not disclosed on the application. The company rescinded the policy and received refunds from the providers who had treated Cardwell. He now is responsible for repaying the more than \$14,000 paid for his medical care under the Anthem policy.

“Consumers often think that leaving out information can result in a lower premium or will ensure acceptance into a plan. This case underscores the need to be totally truthful on an application. Otherwise, you could pay a lot more in the end,” said Burkholder.

KOI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet.